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Sara Dolnicar

University of Wollongong, s.dolnicar@uq.edu.au

Melanie J. Randle

University of Wollongong, mrandle@uow.edu.au

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Keywords

nonprofit marketing, competition, volunteering

Disciplines

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Fighting for Volunteers' Time: Competition in the International Volunteering Industry

Sara Dolnicar* and Melanie Randle*
School of Management & Marketing
University of Wollongong

*Authors listed in alphabetical order. The authors have contributed equally to this article.

Abstract

Despite increased competitive pressures in the volunteering industry, the structure of competition within this non-profit sector has not been examined in the past. This study uses selected respondents from the 1999-2002 World Values Survey who have previously volunteered for multiple organisations. Based on the patterns of organisations that volunteers donated their time for, competition between volunteering organisations with different missions was analysed, resulting in five dimensions of volunteering missions within which volunteering organisations appear to be competing: altruistic, leisure, political, church, and other missions. The altruistic mission groups is the broadest and includes a wide variety of volunteering goals, whereas the church seems to stand without much competition, thus being confronted with the least competitive threat in the fight for volunteers. Such analyses would be useful for managers faced with the challenge of retaining current volunteers and recruiting new volunteers in an increasingly competitive volunteering marketplace. As such, the proposed approach represents a way of analysing the competitive market structure analysis in the volunteering market, thus providing volunteering organisations with a useful tool from the marketing toolbox.

Keywords: nonprofit marketing, competition, volunteering

Introduction

In Australia, the value of unpaid work contributed by volunteers is estimated at 42 billion Australian dollars per annum with 704 million hours contributed by 4.4 million individuals each year (Volunteering Australia, 2001). The pressure on nonprofit organisations to provide services which have traditionally been the responsibility of government is growing (Bales, 1996; Courtney, 1994; Wilson and Pimm, 1996). This, combined with reduced funding, is increasing the demand for unpaid workers (Wymer, 1997). The enormous and growing value of the volunteering sector has led to considerable research in various disciplines investigating different facets of the volunteering phenomenon.

In the past few decades there has been growing acknowledgment of the value of applying what have been traditionally considered 'commercial' marketing techniques to the nonprofit sector. For the most part this has happened at a generic level; however recently there have been calls to

apply concepts such as competition, positioning and segmentation, all of which have been used extensively and with success in the commercial sector, to the management of volunteering organisations. These calls have, however, received relatively little attention from academics.

This study aims to determine which types of volunteering activities are complementary and which are exclusive, thus essentially representing a competitive market structure analysis for the volunteering sector. That is, which volunteering organisations are actually in competition with each other for the same group of individuals. By understanding the structure of volunteering for different purposes, competitive information can be derived. For example, if volunteers who give their time for environmental causes are likely to also donate time to work with elderly, an environmental volunteering organisation and a home for the elderly might be in competition for the same volunteer's time. Such market structure information can help volunteering organisations evaluate the way in which they can best position their mission to be least vulnerable to competitive pressures.

Prior Research

The importance of evaluating and repeatedly monitoring the competitive environment has been recognised as an important part of strategic marketing (McDonald, 2002), and since the 1970's the value of applying this notion to the nonprofit sector has been reinforced (Kotler, 1975; 2003).

Recent decades have seen the creation of intense competition for limited resources, with increasing numbers of nonprofit organisations entering the marketplace (Bendapudi, Singh and Bendapudi, 1996; Riecken, Babakus and Yavas, 1994). Not only has this been attributed to the devolution of services previously provided by government (Goerke, 2003; Kingfisher, 2002), but also the rapid growth in social issues such as drug abuse, teenage pregnancy and AIDS, which has created the need to provide help for these people (Cnaan, Kasternakis and Wineburg, 1993). The Australian Government has, in fact, advocated the positive impact of competition on the nonprofit sector in terms of creating efficiencies in the provision of social services and improving organisational performance (Goerke, 2003).

Despite general acknowledgement that competition is a growing issue for the nonprofit sector, the subject has received little academic attention. Kotler (2003) discusses competition in the context of strategic marketing planning and suggests that competition for nonprofit organisations can be present on two levels. Firstly, the organisational level, for example the competition between different nonprofit organisations as discussed above; and secondly, at the behavioural level, where volunteering activities are competing with four types of competitors, desire competitors, generic competitors, form competitors, and enterprise competitors (Kotler, 2003). Kotler (2003) also suggests, however, that many nonprofit organisations are still in denial about the existence of competition in the nonprofit sector for two reasons. Firstly, competition is seen by some as the domain of the commercial sector and a concept too unpleasant or 'dirty' for the nonprofit sector; and secondly, many nonprofits have welcomed other organisations that exist for the same cause because they feel they are helping to provide a greatly needed social service, not actually competing with their organisation.

Coinciding with the growing number of nonprofit organisations is an apparent reduction in volunteer numbers. This has been attributed to the growth of so-called 'enlightened selfishness' and the increased politicisation of disadvantaged groups within society (Watts and Edwards,

1983); and a declining sense of community combined with growing materialism (Wymer, 1997). Tiehen (2000) focuses more specifically on the declining number of female volunteers, and attributes this primarily to changes in labour market status, parental status, education, and the age at which women are getting married. In the face of diminishing numbers, volunteer organisations attempt to attract members not only from the general community but also from other volunteering organisations (Yavas and Riecken, 1997). Helmig, Jegers & Lapsley (2004) note the lack of recent research in relation to nonprofit marketing - their review of relevant research failed to identify one single recent study of competition in the key nonprofit journals. Miller (2002) does look at competition amongst religious organisations within the context of strategic management; however this type of analysis, which views religions as competitors for scarce resources, has not been conducted at the broader level of the nonprofit sector generally. Particularly scarce in the area of competition in the nonprofit sector are empirical studies which provide specific information to managers in terms of who they are competing with, and the implications of this for their recruitment campaigns. The currently available information is limited to an acknowledgment of the growing level of competition and broad descriptions of the different types of competition that may be encountered.

Data and Methodology

Data from the World Values Survey (Inglehart, *et al.*, 2004) was used for the analysis in this study. The data was collected in 1999-2002 through leading universities internationally using multistage random sampling techniques to obtain nationally representative samples of the adult population.

For the purposes of this study, a sub-sample of 6,270 respondents was used. These respondents all stated that they performed unpaid voluntary work for three or more organisations.

Data was factor analysed to determine the underlying factors of volunteering. More precisely, the 15 variables capturing the purposes or organisations to which time was donated were used. Principal components extraction was computed and the result was Varimax rotated to optimise interpretability. Positioning charts were developed to visualise the groupings of volunteering organisations.

Results

Factor analysis revealed five factors with Eigenvalues above 1. These five factors explain 46 percent of the variance. The factor loadings are provided in Table 1. As can be seen all factor loadings, with the exception of “women’s group” are above 0.4 and are thus clearly assignable to each of the factors. These factors represent underlying dimensions of volunteering missions. Their association with one another is based on volunteers donating their time to organisations within these groups more than across the borders of the groups.

The results indicate that volunteering organisations that work in the areas of health, peace movements, welfare for the elderly, environmental conservation, animal rights, local politics, human rights and women all load on the same underlying dimension, which could be collectively

labelled ‘altruistic’. A second dimension (‘leisure’) consists of unpaid work for sports or recreation, youth work and cultural activities. Labour unions and political parties load on a third dimension (‘political’); professional organisations and other volunteering organisations are captured by the fourth factor (‘other’); and, finally, churches represent a dimension of its own (‘church’), with other organisations loading negatively on it in general.

Table 1: Factor Loadings

	F1	F2	F3	F4	F5
HEALTH	0.62	0.02	-0.08	-0.05	-0.15
PEACE MOVEMENT	0.61	0.10	0.14	-0.17	-0.08
ENVIROMENT, CONSERVATION, ANIMAL RIGHTS	0.61	0.19	0.02	0.11	-0.13
LOCAL POLITICAL	0.54	-0.03	0.25	-0.01	0.11
SOCIAL WELFARE SERVICE FOR ELDERLY	0.49	-0.21	-0.16	0.00	0.17
HUMAN RIGHTS	0.49	0.14	0.11	0.24	0.23
WOMEN'S GROUP	0.37	-0.11	0.01	0.00	0.32
YOUTH WORK	0.06	0.70	-0.13	-0.01	0.05
SPORTS OR RECREATION	0.00	0.69	0.09	-0.11	-0.20
CULTURAL ACTIVITIES	0.03	0.53	0.06	0.19	0.11
POLITICAL PARTIES	0.03	0.04	0.75	-0.14	0.02
LABOR UNIONS	0.08	-0.03	0.70	0.22	-0.06
PROFESSIONAL ASSOCIATIONS	0.04	0.14	0.21	0.67	0.08
OTHER GROUPS	-0.06	-0.07	-0.15	0.66	-0.17
CHURCH ORGANISATION	-0.08	0.03	-0.05	-0.08	0.86

Using the factor scores resulting from the analysis described above, positioning maps were constructed to visualise the competitive relationships revealed from the behavioural data set. Three two-dimensional plots were selected that best visualised the underlying competitive relationships. These are provided in Figure 1.



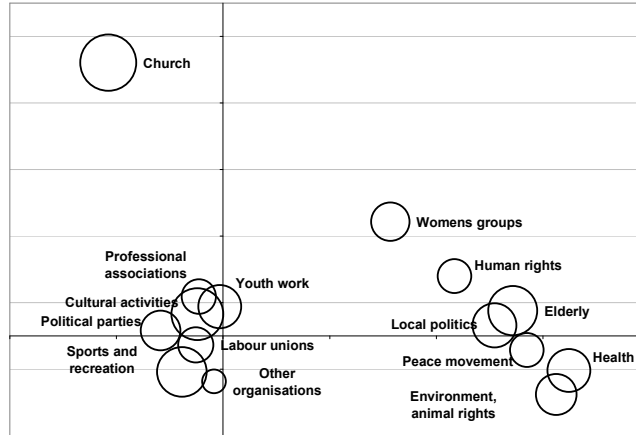


Figure 1: Positioning Map of Volunteering Organisations

The positioning maps visualise the factor structure discussed above and can be interpreted as showing competitive groups of volunteering missions. Plotting factors 1 and 2 shows the group of ‘leisure’ and ‘altruistic’ missions among volunteering organisations. This means that respondents who work for a sports club are much more likely to also donate their time for cultural activities or youth work than for political parties, the church, or work with the elderly. Respondents actively engaged in helping the elderly, on the other hand, will more frequently be also supporting one of the following organisational missions: women’s groups, groups for the protection of the environment and animal rights, peace, health, human rights and local political activities. The factor 2 versus factor 3 plot extracts the ‘political’ group of volunteering organisations. Plotting factors 1 and 5 against each other visualises the quite separated position of church organisations. Church volunteers thus demonstrate the least systematic pattern of supporting other causes which rely on volunteers.

Such charts can help volunteer managers identify which organisations they are competing with. This competition can be interpreted as recruitment competition, switching competition or time competition. In the case of recruitment competition all organisations in the same group of volunteer missions are trying to attract new volunteers. For instance, youth organisations, cultural organisations and sports clubs would be competing to attract a new volunteer interested in these areas. Switching competition indicates that switching of volunteers from one organisation to another is much more likely to occur within a competitive group depicted in Figure 1 than this is the case across competitive groups. For instance, it is much more likely that a volunteer active in the labor union will switch to a political party than to an organisation providing support for the elderly. Finally, time competition does not necessarily mean that a volunteer has to choose between alternative volunteering groups. However, when one volunteer helps out in an unpaid manner for an organisation working with the elderly and an organisation helping with health problems, the total time budget of this particular volunteer needs to be divided between the two organisations thus leading to a loss of total working hours for both organisations.

Conclusions

This study demonstrates how managers of non-profit organisations could conduct a simple analysis to see very clearly and simply who their key competitors are in any given market place. In the increasingly competitive environment that is volunteering, where organisations are not only trying to attract volunteers from the general public but also from other organisations, they are able to look beyond the limited pool of individuals who currently give time to their own organisation, and understand which volunteers for other organisations might be potential targets for recruitment campaigns or suited for collaborative activities by multiple volunteering organisations. There is growing awareness that competition is a very real challenge for the nonprofit sector so there is an increasing level of pragmatism in strategies aimed at recruiting and retaining volunteers. The procedure proposed in this study allows non-profit managers to capitalise on this pragmatism they have been forced to adopt and be more aggressive in their targeted marketing campaigns. Of course, the analysis presented on the basis of the World Values Study data gives a good overview of this competitive picture internationally. If a specific non-profit organisation would want to derive customised insights of the same nature, a local data set of volunteers should be used.

For example, an environmental volunteer organisation which fits into the ‘altruist’ category now knows that people who volunteer for them are also predisposed to volunteering for a number of other organisations such as welfare groups, humanitarian causes and women’s groups. They can now design recruitment campaigns which specifically target individuals associated with those causes, for example through cause-specific magazines, radio and media programs, and interest or hobby groups.

Churches, on the other hand, know that the people who volunteer their time for the church are unlikely to donate time to any other voluntary cause. Therefore any recruitment efforts targeting people who currently volunteer for other organisations are likely to be futile. It would be more beneficial for them to target members of their own congregation who do not currently volunteer, or indeed, members of other congregations who currently volunteer for other churches.

At this stage the competition analysis is limited to generic volunteering organisations. Clearly, the approach could be extended to investigate competitive relationships between actual organisations, like The Smith Family and Bushcare.

It would be useful to extend the work of this study by further investigating the nature of the underlying market segments to provide more indepth understanding and insight for marketing managers in terms of who their potential customers are, where they can be found, and the best way of communicating with them.

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